



## **Republicans' Goal: Privatize and Undermine Medicare**

### **GOP Reliance on Private Insurers Will Fail, Say Insurers**

- "We think that most of the publicly-traded managed care companies, will, and should, elect to sit this one out." - Roberta Goodman, Merrill Lynch, regarding Bush Medicare proposal [Reuters, 1/29/03]
- "Unfortunately, simply trying to hook seniors on private insurance plans by offering them drugs will not fly--either politically or commercially." - Tom Miller, Cato Institute [Report, 1/30/03]
- "Tying availability of a comprehensive drug benefit to enrollment in a private plan forces beneficiaries to make an untenable choice: gain a drug benefit, but lose Medicare's traditional access to care." - Judy Feder, dean of public policy at Georgetown University [CongressDaily, 3/6/03]
- "A lot of people recognize this proposal as a backdoor way to shift the costs of health care onto beneficiaries." - Marilyn Moon, health economist Urban Institute [CongressDaily, 4/21/03]
- "We are concerned that \$400 billion over 10 years still will be insufficient to craft a benefit without major gaps in coverage. [W]e would oppose making prescription drug coverage available only to Medicare beneficiaries if they leave the traditional program." - Jim Firman, President of the National Council On The Aging [Press Release, 1/31/03]
- "Prescription drug coverage should be available to all seniors, not just those who switch into managed care." - Sen. Charles E. Grassley (R-IA) [New York Times, 1/30/03]
- "In most areas of the country payment rates for hospitals and physicians that are negotiated by private plans are higher than those paid by the Medicare fee-for-service program." - Medicare Payment Advisory Commission [New York Times, 5/6/03]
- "Every senior should have access to comprehensive prescription drug coverage, regardless of which Medicare option they choose." - Sen. Olympia Snowe (R-ME) [New York Times, 5/21/03]
- "I am very skeptical that 'drug only' private plans would develop." - Bill Gradison, former Republican Congressman and former president of the Health Insurance Association of America
- "I don't think it's impossible but the odds are against it." - Richard A. Barasch, chairman of Universal American Financial Corporation, which sells Medigap coverage to 400,000 people, on whether private insurers would participate in the GOP drug plan
- "The trouble with drug insurance, from a private insurer's point of view, is that some people have much higher drug expenses than the average, while others have expenses that are much lower - and both sets of people know who they are. This means that any company that tries to offer drug insurance will find that if it tries to offer a plan whose premiums reflect average drug costs, the only takers will be those who have above- average drug costs." - Paul Krugman, New York Times

## **Is Undermining Medicare a Republican Pattern?**

- "We have two choices [for prescription drug plans] before us: a market style model and a Soviet-style model [Medicare]." – Rep. John Linder (R-GA), 6/27/02
- House Majority Leader Dick Armey (R-TX) said he "deeply resents the fact that when I am 65, I must enroll in Medicare." He also called Medicare a "program I would have no part of in a free world." – [Chicago Tribune, 7/11/95]
- "It's a bit irresponsible to try to come in with universal coverage over all of our senior population when many of these people don't need it." – Sen. Chuck Hagel (R-NE) [Fox News, 11/27/02]
- "I believe the standard benefit, the traditional Medicare program, has to be phased out." Sen. Rick Santorum (R-PA) [New York Times, 5/21/03]

## **GOP Members, Others Criticize Bush Plan to Push Seniors Out of Medicare**

- "I don't think you can do it humanely. I don't think you can do it politically. I don't think it's practical." – Speaker Dennis Hastert (R-IL), regarding Bush Medicare proposal [Chicago Tribune, 2/11/03]
- "This [Bush Medicare proposal] is a sure-fire way for seniors to get less health care... Medicare was enacted because for-profit insurers can not make money insuring older sicker people." – Robert Hayes, president of the nonprofit Medicare Rights Center [Reuters, 1/29/03]
- "In his January State of the Union address, President Bush held out the hope that prescription medication coverage for the nation's senior and disabled beneficiaries was on the way, saying they 'should have the choice of a healthcare plan that provides prescription drugs.' The key word there was 'choice,' for it soon became clear that he meant that the elderly could get drug coverage if they abandoned traditional fee-for-service healthcare and went into managed care and were covered by a health maintenance organization." – Kay McVay, President of California Nurses Association [Press Release, 2/15/03]
- "You couldn't move my mother out of Medicare with a bulldozer. She trusts it, believes in it. It's served her well. My panel almost certainly will want a strong and adequate prescription drug benefit within fee-for-service Medicare." – Rep. Billy Tauzin (R-LA) [New York Times, 3/5/03]
- "They are not just two weeks or two months late. They are two years late. They have been unrealistic and unfortunately unable to come together within the administration on what their plan ought to be." – Rep. Jim Nussle (R-IA) [New York Times, 3/5/03]
- "You don't want to push risk-averse elderly people into a managed care plan if that frightens them." – Rep. Jim Greenwood (R-PA) [CongressDaily, 3/5/03]
- "We need a universal drug benefit so seniors who want to stay in traditional Medicare get a prescription drug plan that's just as good as those who choose a new option." – Sen. Charles E. Grassley (R-IA) [New York Times, 3/5/03]
- "The president has taken a step in the right direction, but he has not gone far enough. Every senior should have access to comprehensive prescription drug coverage, regardless of which Medicare option they choose." – Sen. Olympia Snowe (R-ME) [New York Times, 3/5/03]
- "The amount of money the Bush administration has put on the table is wholly inadequate to provide a meaningful benefit to all seniors." – Ron Pollack, Families USA [San Francisco Chronicle, 4/27/03]

- "There is no reason to believe that greater reliance on private plans will actually reduce expenditures or put the program on a sounder financial footing. The president's plan seems designed more as part of an ongoing attack on government's role in health care, in the face of evidence showing that Medicare has been a remarkably successful social insurance program." – Robert Berenson, former director of Medicare's private plan program under Pres. Clinton [CongressDaily, 4/8/03]
- "The administration learned a terrible lesson, which is that on Medicare they're dealing with complicated stuff, and most Americans get confused. They are in a serious political battle with a whole class of people in Congress who completely disagree with the notion that health care financing and delivery should be done by the private sector. Do you want to create a government program that ends up dumping millions of seniors out of the prescription drug coverage they have now, and may be satisfied with? ...[Y]ou don't take away from what people have now." - Robert Moffit, Heritage Foundation, [San Francisco Chronicle, 4/27/03]
- "The [federal] tax cut pretty much depleted the cupboard as far as paying for a generous prescription plan." – Marshall Wittman, Hudson Institute

